State Bar of California, Office of Governmental Affairs

The Sacramento Scene

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THE BILLS KEEP COMING

As anticipated, a significant number of bills continue to be introduced in the Legislature in the wake of what is now becoming known as the February 21 "Members' deadline" for bill introduction. This week, the third full week after that deadline, saw the introduction of 43 bills, in addition to the usual handful of resolutions. The Assembly total now stands at 1,775, and the Senate at 1,073.

The greatest part of this late flurry was a 24-bill package of "spot" bills introduced by the Assembly Budget Committee as potential vehicles for statutory changes needed to implement this year's budget. However, some significant stand-alone measures were introduced as well, such as an urgency measure by Senate President pro Tem John Burton (SB 1072) to plug a loophole in the Political Reform Act relating to late contributions.

BAR FILES TO STOP LAWYERS ACCUSED OF ABUSING UNFAIR COMPETITION LAW

The State Bar Thursday <u>announced</u> the filing of a <u>petition</u> seeking to immediately suspend the practice of three Beverly Hills attorneys accused of filing thousands of abusive law suits under the guise of California's Unfair Competition Law (B&P Code §§17200 et seq.). The attorneys' alleged actions have been one of the principal inducements for the introduction this year of 11 bills to revise the UCL. (See <u>Sacramento Scene</u>, <u>Vol. 2</u>, <u>#9</u>, for a list and description of the bills).

The petition "alleges the attorneys (of the Trevor Law Group) filed baseless lawsuits, committed mail fraud, violated court orders and engaged in improper fee splitting and theft by false pretenses . . (i)n carrying out the scheme to obtain money fraudulently from small business owners, many from the minority community." The attorneys are also accused of engaging in the unauthorized practice of law, and of aiding and abetting.

Press reports on the filing appear in the <u>Los Angeles</u> <u>Times</u>, <u>Sacramento Bee</u>, <u>Orange County Register</u>, and <u>San Gabriel Valley Tribune</u>, among others.

The Trevor Law Group attorneys charged have 10 days to file a response to the petition. The matter reportedly has been set for hearing in the State Bar Court for Monday, April 7.

The Bar's action follows the filing two weeks ago by Attorney General <u>Bill Lockyer</u> of a <u>civil lawsuit</u> against the same firm, accusing them of violating the same unfair competition law upon which it had been basing its suits.

JUDICIARY BUDGET HEARING

The Assembly Judiciary Committee and the Assembly Budget Subcommittee on State Administration held a joint hearing on Thursday to review Governor Davis's budget proposals related to the Judiciary.

Most of the hearing focused on the budget's potential impact on the trial courts, although the appellate courts were discussed briefly regarding new civil filing fees. In any case, the anticipated impact of the proposed budget cuts and fee increases do not bode well for those who utilize the courts.

Assembly Member Ellen Corbett, chair of the Judiciary Committee, expressed very serious concerns about the impact of budget cuts on the civil courts. She was also particularly concerned about the ability of abused or threatened women to obtain restraining orders in a timely manner.

William Vickery, executive director of the Administrative Office of the Courts, said that mandates associated with the criminal court effectively limit the reductions that may be made in that arena. He specifically cited the mandate regarding court interpreters for defendants and witnesses with limited English skills.

After taking testimony from representatives of the California State Association of Counties the American Automobile Association, and the Consumer Attorneys of California, the meeting was adjourned without taking a vote on the budget

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proposals. The task of actually voting on the reductions and new fees will be done by the budget subcommittee at a later date.

However, before adjourning the hearing, Assembly Member Corbett asked the committee to look at ways to ensure that civil courts are not subjected to catastrophic budget cuts in the process of reducing appropriations to the courts to help produce a balanced state budget. Corbett's comments served to underscore her previously stated concerns about equal access to the courts and the continued provision of vital court services.

DIRECT DEMOCRACY IN THE NEWS

Prospective initiatives and a proposed recall have received a great deal of attention this week.

On Wednesday, a coalition of consumer groups announced that they will be launching a ballot measure campaign aimed at banning banks and insurance companies from sharing details of their customers' finances. Legislation to achieve the same objective has been either defeated or vetoed by the Governor for at least three of the past four years. The Legislature is currently considering yet another measure in the series, <u>SB 1</u> (<u>Speier & Burton</u>), which passed the state Senate on March 3 but faces an uncertain fate in the Assembly. Opinion polls show that consumers strongly favor such a law.

Another coalition comprised of labor unions, the Health Access coalition and the League of Women Voters of California, have <u>submitted</u> a "Budget Accountability Act" ballot initiative to the Attorney General for title and summary. The measure would reduce from two-thirds to 55 percent the voting threshold California lawmakers need to pass a state budget or raise taxes. Applied to the current makeup of the Legislature, the measure targeted for the March 2004 presidential primary would allow Democrats to pass budgets and raise taxes without any Republican support or votes. The proposal also would suspend lawmakers' pay once the constitutional deadline for passing the budget has passed, require 25% of budget surpluses to be held in a reserve account, and require specified information be provided to voters.

The recall campaign for Governor Davis has been plagued with problems. First the recall petition submitted to Secretary of State Kevin Shelley was returned to the proponents for substantial redrafting (a revised petition was re-submitted Monday). Then last week, one of the state's top paid Republican signature-gathering firms announced that it would not accept a contract to collect the over 900,000 valid signatures needed, reportedly for fear of poisoning its relationships with other clients. And, finally, proponents of the measure have admitted they have nowhere close to the \$2 million necessary to pay for a paid signature-gathering campaign. These setbacks notwithstanding, proponents are still optimistic that they can mount a successful campaign by circulating petitions via the internet.

AROUND THE CAPITOL

- Senate President pro Tempore John Burton (D-San Francisco) is termed-out in late 2004.
 According to the press and legislative staff, four senators are very interested in replacing Burton. They are: Martha Escutia (D-Whittier) who chairs the Judiciary Committee; Sheila Kuehl (D-Santa Monica) chair of the Natural Resources and Wildlife Committee; Mike Machado (D-Linden) Agriculture and Water Resources chair; and Tom Torlakson (D-Antioch) who chairs the Local Government Committee.
- Although the Los Angeles Times reported today that Assembly Speaker Herb Wesson (D-Culver City) had promised to suspend all Assembly policy committee meetings unrelated to the budget until the last week in March so lawmakers can focus on the state's financial problems, the Speaker's office just sent out a memo correcting and clarifying that announcement. Citing the "unprecedented set of joint hearings" being conducted by the budget subcommittees and related policy committees (see article above), Wesson declared that policy committees would meet next week, but would be suspended for the week of March 24-28. The Speaker also stated that he would "authorize additional hearing dates as necessary to accommodate any committees . . to assure that bills are not jeopardized."